

## Health Administration

### DESCRIPTION OF MAJOR SERVICES

The role of the Health Administration budget unit is to seek and support opportunities to foster collaboration among the Department of Public Health (PH), Department of Behavioral Health (BH), and the Arrowhead Regional Medical Center (ARMC). Health Administration provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, Health Administration manages the \$120.7 million Health Administration budget unit, which includes funding and related transactions for the County’s contribution for ARMC debt service payments, health related maintenance of effort costs, and transfers required to obtain federal health care funding.

Budget at a Glance	
Requirements Less Reimbursements*	\$120,730,613
Sources/Reimbursements	\$105,730,613
Net County Cost	\$15,000,000
Total Staff	1
Funded by Net County Cost	12%
*Includes Contingencies	

#### Intergovernmental Transfers

This budget unit includes Intergovernmental Transfers (IGT) to the state for Disproportionate Share Hospital (DSH) Supplemental Payments, Medi-Cal managed care, and Delivery System Reform Incentive Payments (DSRIP). These IGT’s are used to send the non-federal share of DSH, Medi-Cal managed care, and DSRIP payments to the state in order to receive matching contributions. The initial investment is returned to this budget unit.

DSH supplemental payments are provided by the state to qualifying hospitals that serve Medi-Cal patients and uninsured individuals to provide for uncompensated costs of care. Medi-Cal managed care payments provide for maximum reimbursement under the allowable rate range. DSRIP funding is strictly tied to results and meeting transformation milestones. These payments are reflected as a matching contribution to the state, with a return of the initial investment to this budget unit.

#### Realignment and General Fund Support

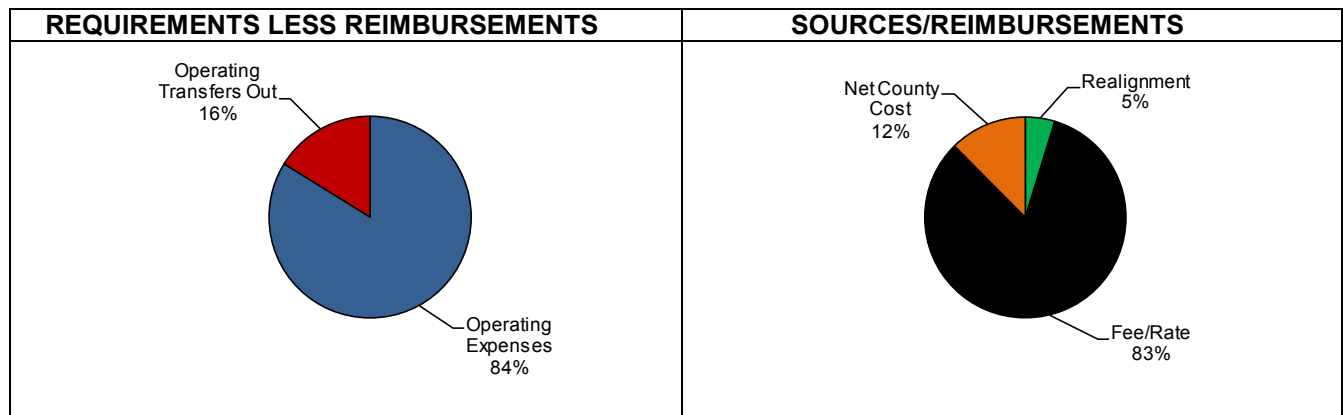
General fund support and realignment funds are used to pay a portion of the ARMC debt service lease payments, the Realignment AB 8 match, and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the County must contribute a ‘match’ of local funds. The County’s match is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support administrative costs in this budget unit as follows:

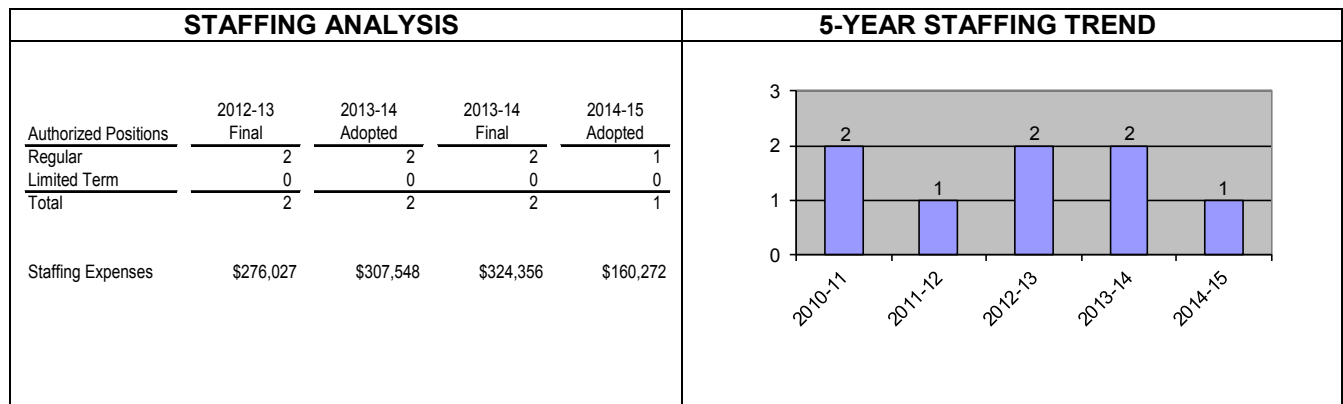
- Mental Health at 9.95%;
- Social Services at 2.76%;
- Health at 87.29% (which also covers a portion of the ARMC debt service payments).



## 2014-15 ADOPTED BUDGET



## BUDGETED STAFFING



**ANALYSIS OF 2014-15 ADOPTED BUDGET**

GROUP: Human Services  
DEPARTMENT: Health Administration  
FUND: General

BUDGET UNIT: AAA HCC  
FUNCTION: Health and Sanitation  
ACTIVITY: Hospital Care

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2013-14 Final Budget	2014-15 Adopted Budget	Change From 2013-14 Final Budget
<b>Requirements</b>							
Staffing Expenses	230,227	176,247	320,215	323,696	324,356	160,272	(164,084)
Operating Expenses	32,029,606	23,988,795	67,065,145	152,789,251	160,944,232	101,081,987	(59,862,245)
Capital Expenditures	0	0	0	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	32,259,833	24,165,042	67,385,360	153,112,947	161,268,588	101,242,259	(60,026,329)
Reimbursements	0	(39,979)	0	0	0	0	0
Total Appropriation	32,259,833	24,125,063	67,385,360	153,112,947	161,268,588	101,242,259	(60,026,329)
Operating Transfers Out	19,805,002	19,023,328	18,302,938	17,346,170	19,316,679	19,488,354	171,675
Total Requirements	52,064,835	43,148,391	85,688,298	170,459,118	180,585,267	120,730,613	(59,854,654)
<b>Sources</b>							
Taxes	0	0	0	0	0	0	0
Realignment	5,825,299	4,873,403	7,826,732	3,376,654	5,584,459	5,730,613	146,154
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	31,244,819	23,277,623	62,861,566	152,082,554	160,000,000	100,000,000	(60,000,000)
Other Revenue	0	0	0	0	0	0	0
Total Revenue	37,070,118	28,151,026	70,688,298	155,459,209	165,584,459	105,730,613	(59,853,846)
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	37,070,118	28,151,026	70,688,298	155,459,209	165,584,459	105,730,613	(59,853,846)
Net County Cost	14,994,717	14,997,365	15,000,000	14,999,909	15,000,808	15,000,000	(808)
Budgeted Staffing					2	1	(1)

**MAJOR EXPENDITURES AND REVENUE IN 2014-15 ADOPTED BUDGET**

Major expenditures in this budget unit include intergovernmental transfers for Disproportionate Share Hospital (DSH), Delivery System Reform Incentive Payments (DSRIP), and Medi-Cal managed care programs to cover the required local match, and a portion of debt service lease payments for ARMC. The major revenue source is the matching funds received from the state.

**BUDGET CHANGES AND OPERATIONAL IMPACT**

Requirements are decreasing by \$59.9 million due to decreased intergovernmental transfers required for DSH, DSRIP, and Medi-Cal managed care programs. Sources are decreasing by \$59.9 million due to a reduction in matching funds for these programs directly related to requirements.

**STAFFING CHANGES AND OPERATIONAL IMPACT**

Staffing expenses of \$160,272 fund 1 budgeted regular position. One Administrative Analyst III position was moved to the Finance and Administration budget unit in 2014-15. Overall requirements related to staffing will remain consistent as costs for support from Finance and Administration staff will be funded through operating transfers out.



2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Health Administration	1	0	1	1	0	0	1
Total	1	0	1	1	0	0	1

Health Administration	
Classification	
1	Administrative Analyst III
1	Total